

# **THE LEONARD LETTER**

*A weekly electronic newsletter about  
California government, business and taxes  
Bill Leonard, Member  
State Board of Equalization*

*December 11, 2006*

## **QUOTE OF THE WEEK**

*“And it came to pass in those days, that there went out a decree from Caesar Augustus,  
that all the world should be taxed.*

*(And this taxing was first made when Cyrenius was governor of Syria.)*

*And all went to be taxed, every one into his own city.*

*And Joseph also went up from Galilee, out of the city of Nazareth, into Judaea, unto the  
city of David, which is called Bethlehem; (because he was of the house and lineage of  
David:)*

*To be taxed with Mary his espoused wife, being great with child.*

*And so it was, that, while they were there, the days were accomplished that she should be  
delivered.*

*And she brought forth her firstborn son, and wrapped him in swaddling clothes, and laid  
him in a manger; because there was no room for them in the inn.” Luke 2: 1-7*

## **AROUND THE STATE**

### **\*\*\*Piling on the Outrage\*\*\***

I was offended by comments made by Robert Sillen, the court-appointed director of the California Prison Health Care Receivership, in his third bimonthly report to U.S. District Court Judge Thelton Henderson last week. Sillen may be an expert in health care, prisons, or something else, but his comments demonstrate that he is no expert on creating change in a political context. Sillen attacked the State Personnel Board for demanding that the licensed vocational nurses he wants to hire take pre-employment drug tests. What is so unacceptable about wanting the health care professionals who work in our prisons to be drug-free? To me, what is unacceptable is a court-appointed bureaucrat who can simply ignore the law that requires such drug testing because he does not like it.

Sillen also criticized legislators for making “no progress” on the prison system’s overcrowding because their “overriding focus” last year was their own re-election. That is simply a cheap shot that serves no purpose other than to reflect on the standards of the accusation-maker.

Another reflection on Sillen's standards that might be of interest to the people of California is how much he and his hand-selected staff are being paid out of California taxpayer coffers but at the direction of a federal judge. Sillen is pulling down \$500,000 annually. He has hired—among others-- a chief medical officer at \$350,000, a chief medical information officer at \$275,000, a chief financial officer at \$275,000. Keep in mind that those salaries are supplemented by 30% additional costs in benefits. Chaching.

The federal court order came about because the judge believes that free health care to prisoners is the most important issue facing California's prison system. The real problem is overcrowding, which creates dangerous conditions for the staff and prisoners and eliminates the space needed to conduct the educational and vocational programs we need to reduce recidivism rates. Instead of name-calling and finger pointing, policymakers at all levels should focus on that issue.

### **\*\*\*Unions Against Workers, Again\*\*\***

I keep reading about the highly-politicized effort to get the Legislature to ratify the latest tribal-gaming compacts negotiated by the Schwarzenegger administration. These compacts will increase Indian gaming on reservations, but the supporters indicate that taxes will generate more than \$20 billion in revenues over the next couple of decades. Given the mega-bonds that voters recently approved, those revenues are sorely needed to balance the state's budget deficit.

I am told that the biggest stumbling block to approving these compacts is collective bargaining rights for casino workers, which Democrat legislators support and Indian tribes supposedly oppose. The truth is more complicated. Collective bargaining rights and union organizing rights have been fully protected since California first entered into compacts with the gaming tribes. All the current compacts guarantee collective bargaining rights. The real issue is the use of the controversial "card check" system.

Traditionally, both on reservations and off them, when unions want to win the right to organize workers and deduct union dues from their paychecks, they need to win an election. These elections involve outside supervision and secret ballots, and disputes can be appealed to the National Labor Relations Board. Union leaders are frustrated that they lose these elections too often. So, instead of free and fair elections, the unions want to be able to obtain recognition from the gaming tribes by a method they call the "card check system." Under this method, union organizers approach individual employees and ask them to sign a card saying they are willing to be represented by the union. Employees can be approached at home or at work or anywhere else. When a majority of the employees in a proposed bargaining unit have signed the cards, the employer is forced to recognize the union and begin deducting union dues from employees' paychecks (whether they joined the union or not).

The problem with the card check system is that it allows and even encourages fraud, intimidation, bribery, and corruption. We had many of those same problems with public

elections in California before we adopted the so-called “Australian ballot” in 1891. The “Australian Ballot” is an official ballot printed at public expense on which the names of all nominated candidates appear; it is distributed only at the polling place and voted in secret. Before 1891, political parties printed their own brightly-colored ballots and voters placed them in the ballot box in plain sight of candidates and partisans. “Buying votes” was a common practice and voter intimidation was a major problem. Sadly, the union card check system seeks to bring back all of those problems for the sole purpose of making it easier for unions to win the right to have union dues deducted from workers’ paychecks without their permission.

The problem is even worse in practice because so many unions hire out-of-state organizers and pay them on a per-card basis. The incentives to forge signatures or apply undue pressure to obtain them can be enormous. Employees whose signatures have been forged are often afraid to speak up in public and sign the affidavits necessary to change their “votes,” especially when they have no way of knowing how many other signatures were forged and whether their individual complaints will affect the outcome.

Whatever their reasons, I applaud the Indian tribes for standing firm against the abuse of the card check system. Casino workers have every right to unionize, but their unions should be expected to win a majority vote in a free and fair election.

### **\*\*\*Capitol Morning Report\*\*\***

In last week’s issue I quote an article by Tom Willoughby about the history of the legislature. I neglected to explain where Mr. Willoughby’s article had been published and want to give credit where due. The article, as well as those he was responding to, appeared in the Capitol Morning Report. The Morning Report is a terrific resource for anyone wanting to stay up on Sacramento happenings. It is a subscription site, but worth your consideration. To learn more, go to:

<http://www.capitolmr.com/>

## **MISCELLANY**

### **\*\*\*A Good Read\*\*\***

As Christmas approaches, Christians have the opportunity to share the Good News with nonbelievers who may be touched by the Christmas spirit. “C.S. Lewis's Case for Christ” by Art Lindsley is an excellent book for those interested in sharing and defending the faith. Lindsley explains the extensive conversion process undertaken by Lewis who was an atheist until he was 31. At that point he began an extensive study and comparison of various religions, a journey which led him to declare his Christianity. Then he committed the rest of his life to explaining and defending Christianity. Lindsley’s book is comprised from Lewis’s own extensive writings and summarizes, without diminishing, Lewis’s reasoning for becoming a Christian. In his review of the book, Chuck Colson said this book “presents the vast sweep of C. S. Lewis's worldview in clear, bite-sized pieces.”

### **\*\*\*New Citizenship Test\*\*\***

To see the official answers to the pilot U.S. citizenship questions below, go to  
<http://www.uscis.gov/portal/site/uscis/menuitem.5af9bb95919f35e66f614176543f6d1a/?vgnextoid=dcf5e1df53b2f010VgnVCM1000000ecd190aRCRD>

11. What does freedom of religion mean?
12. What type of economic system does the U.S. have?
13. What are the three branches or parts of the government?
14. Name one branch or part of the government.
15. Who is in charge of the executive branch?
16. Who makes federal laws?
17. What are the two parts of the United States Congress?
18. How many United States Senators are there?
19. We elect a U.S. Senator for how many years?
20. Name your state's two U.S. Senators.

### **BOE AND LEGISLATIVE DATES**

**December 12-13, 2006** --- Board of Equalization meets in Sacramento.

**January 3, 2007**--- Legislature reconvenes.

**January 8, 2007** --- Swearing-in of new state Constitutional officers.

**January 9, 2007** --- Governor delivers State of the State Address.

**January 10, 2007** --- Budget Bill must be submitted by Governor (Art. IV, Sec. 12 (a)).

**January 15, 2007** --- Rev. Martin Luther King Jr. holiday.

**January 26, 2007** --- Last day for legislators to submit bill requests to the Office of Legislative Counsel.

**January 31, 2007** --- Board of Equalization meets in Sacramento.

**February 1, 2007** --- Board of Equalization meets in Sacramento.

**February 12, 2007** --- Abraham Lincoln's Birthday.

**February 19, 2007** --- George Washington's Birthday observed.

**February 23, 2007** --- Last day for bills to be introduced (J.R. 61(a)(1), J.R. 54(a)).

**February 27-28, 2007** --- Board of Equalization meets in Culver City.

## **NOTABLE DATES/ HISTORY**

**December 12, 1870** --- Joseph Hayne Rainey became the first African-American sworn in as a member of the U.S. House of Representatives.

**December 12, 1899** --- The golf tee was patented.

**December 13, 1862** --- Outnumbered Confederate forces defeated Union troops at the Battle of Fredericksburg, Virginia.

**December 13, 2003** --- U.S. troops captured ousted Iraqi president Saddam Hussein, who was found hiding in a small underground chamber dubbed a “spider hole.”

**December 14, 1902** --- The cableship Silverton began laying the first transpacific telegraph cable, reaching from San Francisco to Honolulu.

**December 15, 1791** --- The first ten amendments to the U.S. Constitution, known as the Bill of Rights, became law following ratification by the state of Virginia.

**December 15, 1874** --- Hawaiian King David Kalakaua visited President Ulysses S. Grant at the White House, becoming the first reigning king to visit the United States.

**December 16, 1773** --- Bostonians empty the holds of three tea-bearing British ships into Boston Harbor to protest the British tax on tea imported to the colonies.

**December 16, 1944** --- The Battle of the Bulge began as the Germans advanced into Belgium and Luxembourg.

**December 17, 1903** --- Orville Wright made the first successful flight in an airplane with a gasoline engine at Kitty Hawk, North Carolina, covering 120 feet in a flight lasting 12 seconds.

## **GENERAL TAX INFORMATION**

For answers to your general tax questions, call the Board of Equalization information center. Customer service representatives are available to help you from 8:00 a.m. to 5:00 p.m. Pacific time, Monday through Friday (except state holidays).

Toll-free number: 800-400-7115  
TDD service for the hearing impaired  
TDD phones: 800-735-2929  
Voice phones: 800-735-2922

To reach the Taxpayer Rights Advocate's office for assistance with any BOE issues, see <http://www.boe.ca.gov/tra/tra.htm>, or call toll-free 1-888-324-2798.

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